



# GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service  
United States Department of Agriculture



DECEMBER 14, 1999

**U.S. Hands Over Panama Canal.** Following nearly a century of U.S. ownership and operation, the Panama Canal is set to become the sole possession of the Republic of Panama at noon on December 31. Former U.S. President Jimmy Carter, who signed the treaty to hand over the canal, attended December 14 ceremonies at the canal. The event was held in advance of the official date due to activities of the new year. Completed in 1914, the canal was strategically important to the U.S. during World War II, and continued to be used militarily throughout the Korean and Vietnam wars. However, with the advent of a "two-ocean Navy," and the canal's size limitation for modern naval aircraft carriers, the 50-mile long waterway has become less strategically important. The canal generates revenue by assessing tolls based on the ship cargo capacity of each vessel transiting the canal. Shipments of U.S. grain make up the largest share of commodities transiting the canal and make up most of the canal's revenue. Nearly half of all U.S. exports of corn and soybeans move through the canal. "The U.S. is a lot more important to the canal than the canal is to the U.S.," stated Rodolfo Sabonge, director of corporate planning and marketing for the Panama Canal Commission. In fact, a recent study conducted by economists from Texas A&M University and the USDA concluded, in part, that U.S. exports of corn and soybeans would experience only a 2 percent decrease if the Panama Canal were to close. With a shutdown or even a significant toll increase, U.S. exports to Asia would likely be routed through Pacific Northwest ports, or around the South African Cape of Good Hope. In the long term, agricultural shipments from U.S. Gulf ports may more economically serve European and North African markets, while Pacific Northwest ports would serve Asian markets. In addition, since other U.S. ports are operating at less than capacity, an increase in volume would not likely jeopardize exports at those facilities, especially considering the U.S. transport system is capable of being used to move grain to other export positions. More serious consequences would, instead, be realized in the South American countries of Ecuador, Peru, and Venezuela, which, without an economical transport alternative, ship 40 percent or more of their exports, by weight, through the canal. In addition to the size limitations posed by the 85-year-old waterway, many Panamanians remain uncertain about their ability to operate and maintain the waterway. "The Americans know how to run the canal. I'm not so sure how our government will do," stated a Panama City businessman, even though roughly 98 percent of the canal employees are Panamanian. It has been reported that about 60 percent of the Panamanian population would prefer that Americans not leave. The point was made even more clear by the captain of a Japanese vessel, stating, "If the Panamanians don't maintain it, in five years it will be unuseable." Under the treaty, Panama obtains the canal and 360,240 acres of land that has been fenced off from Panama. The U.S. retains the right to enforce the canal's neutrality, using American troops, in the event of conflict. (*Wall Street Journal* 12/10, *USA Today* 12/14, *USDA*)

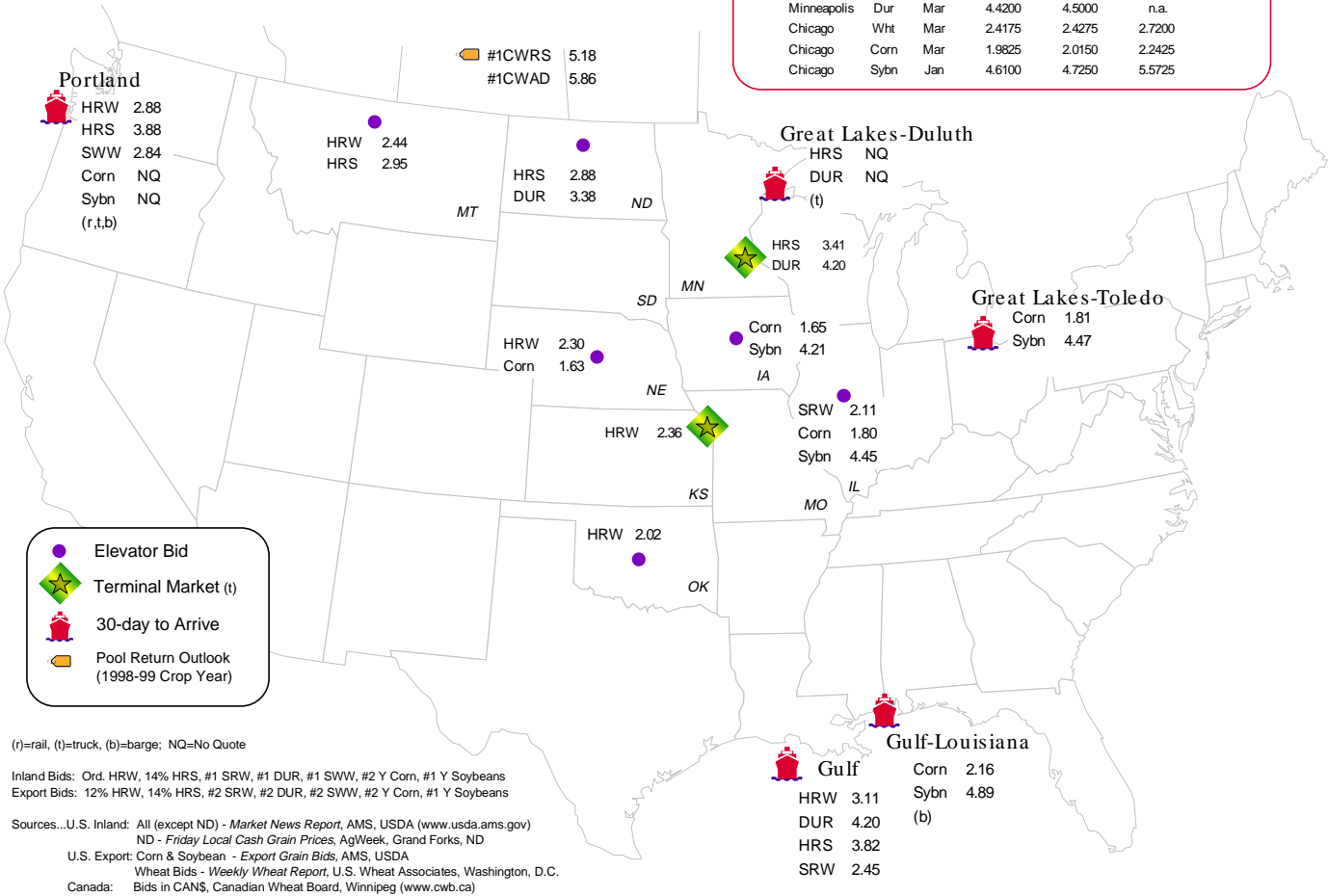
**USDA, AgOTC Plan Conference.** The U.S. Department of Agriculture and the Agriculture Ocean Transportation Coalition (AgOTC) have planned a series of shipper workshops to begin on January 24, 2000 in Portland, Oregon and in Boise, Idaho on January 25. Other locations throughout the winter and spring are currently being decided. The workshops are an invitation to all Pacific Northwest shippers to discuss, off the record, agriculture transportation concerns and solutions. Topics of discussion will include carrier antitrust immunity, the harbor user fee proposal, truck weight limits, new exporter responsibilities, the impact of the new hours of service policy, revisions to COGSGA (Carriage Of Goods by Sea Act), and the China wood packing material rule. In addition, a presentation will be made concerning the Automated Export System (AES), which will be the new method of filing Shippers Export Declaration (SED) information beginning January 1, 2000. The cost of the workshop is \$25 for AgOTC Members, and \$35 for non-members. For more information, contact AgOTC at 202-467-8380.

**Port of Sacramento Eyes Continental Facility.** Negotiations are currently underway for the Port of Sacramento to purchase a Continental Grain storage and shipping operation near the port's rival, the Port of Stockton. The 23-acre Continental operation, reported to be the largest facility on the west coast with a capacity of 175,000 tons of grain, would be purchased in collaboration with Omaha, Nebraska-based corporate partner, Hansen-Mueller Co. The Hansen-Mueller Co., which operates grain elevators and storage facilities throughout the U.S., deals in commodities such as corn, wheat, soybeans, barley, and oats. The company would arrange for imports of grain into the west coast for U.S. purchase, as well as handle international purchases of U.S. grain from the region. Because of antitrust concerns, the Federal Government required that Continental Grain sell this and other facilities before Cargill, Inc., the nation's largest grain dealer, could purchase a part of its assets. (*The Sacramento Bee* 12/10)

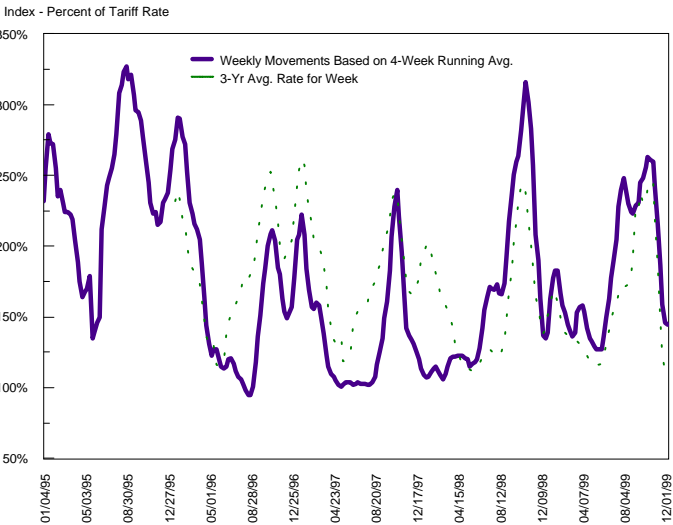
Report is prepared by Karl Hacker and Chambre' Malone, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. You can retrieve this document from our Automatic Fax System by using the handset on your fax machine and dialing (202) 690-1707. This report can be found on the Internet at [www.ams.usda.gov/tmd/grain.htm](http://www.ams.usda.gov/tmd/grain.htm). E-mail comments to [GTR@usda.gov](mailto:GTR@usda.gov).

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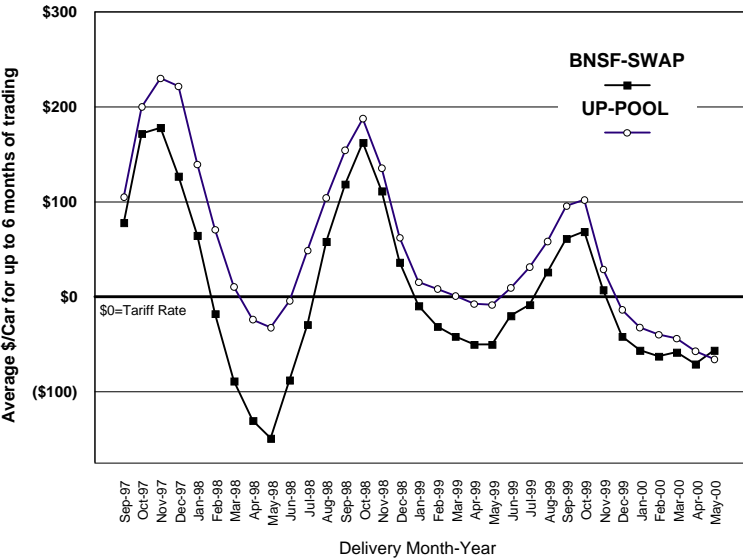
Grain Bid Summary



Spot Barge Rate - Illinois River



Secondary Rail Market Bids



<b>Rail Car 'Auction' Offerings</b>				
Delivery for:	Dec-99		Feb-00	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
<b>BNSF-COT</b>	12,175	41%	11,000	7%
<b>UP-GCAS</b>	5,400	27%	5,400	0%
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

**Secondary Rail Car Market**

Average Premium/Discount to Tariff, \$/Car - Last Week

	<b>Delivery Period</b>			
	Dec-99	Jan-00	Feb-00	Mar-00
BNSF-GF	\$(91)	\$(101)	\$(92)	\$(83)
UP-Pool	no quote	\$(49)	\$(58)	\$(58)

Source: T&amp;M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only &amp; are NOT guaranteed prices, missing value=No Bid Quoted

**Railroad Car 'Auction' Results**

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Dec-99	Jan-00	Feb-00
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	no bid	no bid	no bid

Source: T&M/AMS/USDA. Data from [www.bnsf.com](http://www.bnsf.com), [www.uprr.com](http://www.uprr.com),  
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)**Southbound Barge Freight Nominal Values**

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate
12/10/99	Illinois River	twk	170
		nwk	170
		Jan.	165*
	St. Louis	wk 12/12	140**
	Lower Ohio River	twk/nwk	130*
	Full Ohio River	twk/nwk	125*
	Cairo	twk	125*

Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

twk=this week

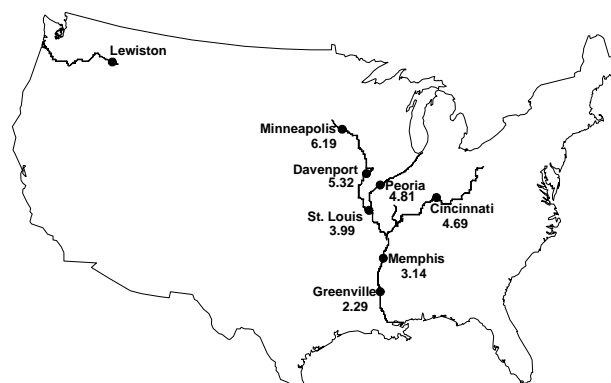
nwk=next week

(\*) percentage for bid rates, no trades available

(\*\*) percentage for offered rates, no trades available

**Southbound Barge Freight Spot Rates**

	12/8/99	12/1/99	Jan. '00	Feb.. '00
Twin Cities	nq	nq	nq	nq
Mid-Mississippi	nq	154	nq	nq
Illinois River	160	141	173	155
St. Louis	130	108	125	124
Lower Ohio	133	108	126	126
Cairo-Memphis	122	105	120	120

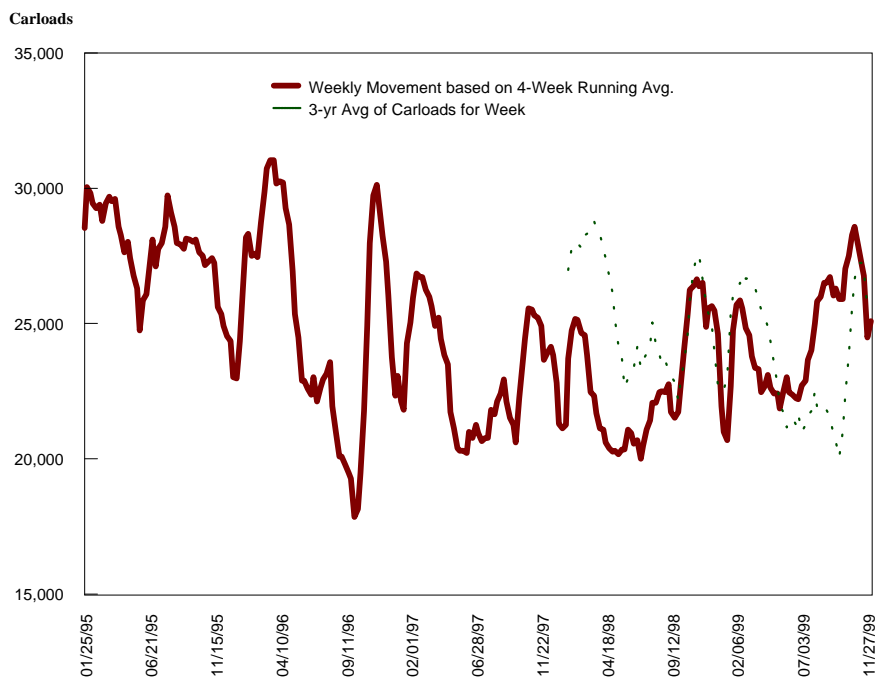
Source: Transportation & Marketing /AMS/USDA  
nq=no quote**Barge Benchmark Tariff Rates  
Est. 1976 - 'Tariff No. 7'**

## Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
11/20/99	26,713
11/27/99	19,086
12/04/99	28,141
Year to Date - 1999	1,184,641
Year to Date - 1998**	1,096,046
Total 1998**	1,183,860
Total 1997*	1,199,995

\*\*1998 - 52 weeks

\* 1997 - 53 weeks



## Class I Rail Carrier Grain Car Bulletin

Carloads

Canoads									
			<u>East</u>		<u>West</u>			<u>Canada</u>	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
12/04/99	0	3,127	1,858	3,671	11,419	424	7,642	3,310	4,297
This Week Last Year	959	3,121	1,542	3,213	11,473	643	7,780	2,408	4,931
1999 YTD	15,522	121,679	82,454	128,002	434,515	31,333	372,136	112,094	193,345
1998 YTD*	37,806	117,398	72,261	122,595	398,449	32,045	315,492	106,253	202,534
1997 Total**	29,834	118,581	80,255	124,834	428,243	34,690	378,888	171,428	272,156
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	439,865	129,714	181,387

Source: Association of American Railroads

\*\*1998 - 52 weeks

\* 1997 - 53 weeks

## Tariff Rail Rates for Unit Train Shipments

December 1999

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
12/03/99	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
12/03/99	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
12/03/99	46540	Wheat	Kansas City, MO	Houston, TX	\$1,550	\$17.09	\$0.47
12/03/99	43586	Wheat	Kansas City, MO	Portland, OR	\$4,133	\$45.56	\$1.24
12/03/99	43581	Wheat	Omaha, NE	Portland, OR	\$3,805	\$41.94	\$1.14
12/03/99	31040	Corn	Minneapolis, MN	Portland, OR	\$2,800	\$30.86	\$0.78
12/03/99	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$28.66	\$0.73
12/03/99	31040	Corn	Omaha, NE	Portland, OR	\$2,415	\$26.62	\$0.68
12/03/99	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,880	\$31.75	\$0.86
12/03/99	61180	Soybean	Omaha, NE	Portland, OR	\$2,480	\$27.34	\$0.74
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat &amp; Soybeans 60 lbs/bu

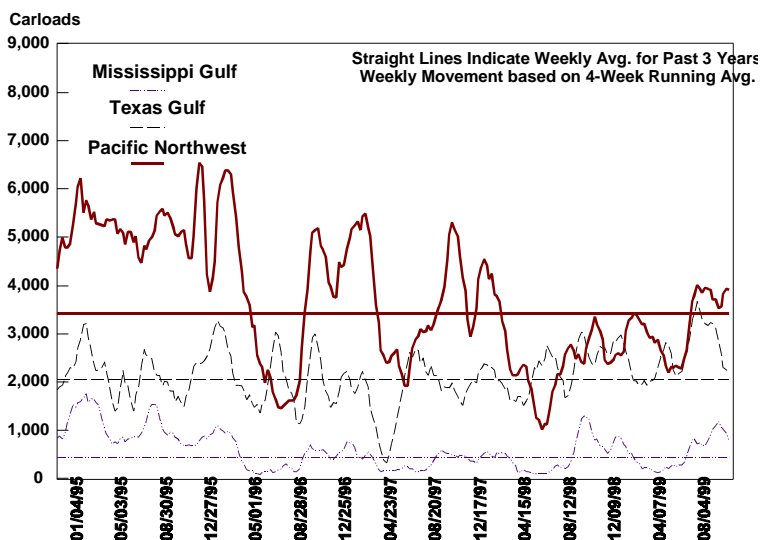
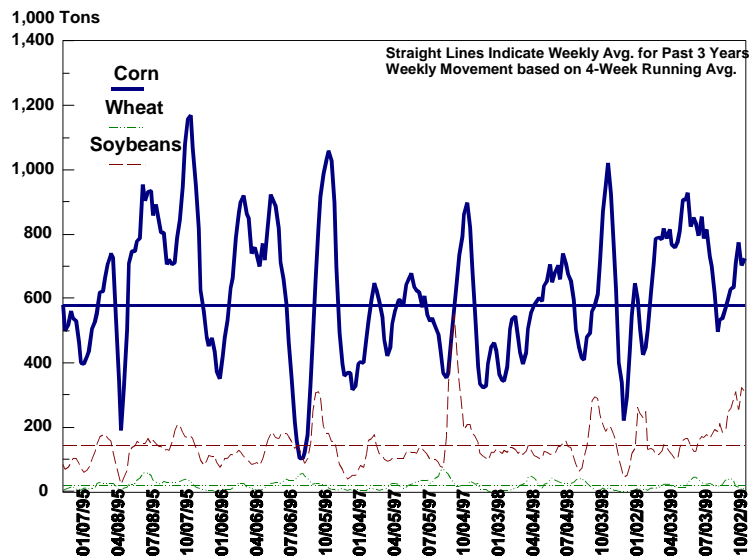
**Rail Deliveries to Port**

Carloads

	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
10/27/99	937	2,626	3,689	453
11/03/99	1,139	2,333	3,063	452
11/10/99	1,039	2,106	4,186	473
11/17/99	968	2,135	4,385	234
11/24/99	653*	2,444	4,122	107
12/01/99	468*	1,997	2,992	64
YTD 1999	27,105	124,894	149,356	13,455
YTD 1998	21,161	104,649	126,913	10,724
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147

Source: Transportation &amp; Marketing/AMS/USDA

Note: \*Incomplete data

**Rail Deliveries to Port****Barge Movements - Locks 27****Barge Grain Movements**

for week ending 12/4/99

	Corn	Wht	Sybn	Total
1,000 Tons				
<b>Mississippi River</b>				
Rock Island, IL (L15)	370	5	79	453
Winfield, MO (L25)	611	14	200	825
Alton, IL (L26)	733	19	199	951
Granite City, IL (L27)	767	25	211	1,008
<b>Illinois River (L8)</b>	122	5	20	147
<b>Ohio (L52)</b>	16	12	17	67
<b>Arkansas (L1)</b>	11	4	0	15
1999 YTD	34,157	2,676	8,663	47,895
1998 YTD	28,405	2,320	7,914	41,490
Total 1998	31,226	2,420	8,866	45,625
Total 1997	29,685	2,689	9,584	45,315

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.  
Source: U.S. Army Corp of Engineers

**U.S. Export Balances** (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
12/02/99	950	674	932	590	244	3,390	8,356	5,114	16,860
This Week Year Ago	1,310	272	1,103	751	198	3,632	8,706	4,533	16,871
<u>Cumulative Exports-Crop Year</u>									
98/99 YTD	6,534	1,999	2,928	2,062	488	14,010	13,225	8,383	35,618
97/98 YTD	5,813	1,126	3,442	3,238	449	14,068	11,108	17,713	42,889
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date ([www.fas.usda.gov](http://www.fas.usda.gov)) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
12/09/99	168	129	21	47	809	661	139	1	0
1999 YTD	9,515	8,668	1,076	6,559	34,069	14,410	8,416	551	1,357
1998 YTD *	9,795	4,122	627	4,745	27,998	13,233	6,684	532	1,224
% of Last Year	88%	198%	165%	130%	109%	97%	116%	98%	97%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

Source: Federal Grain Inspection Service \* YTD-Year-to-Date (\*98 = 53 week period)

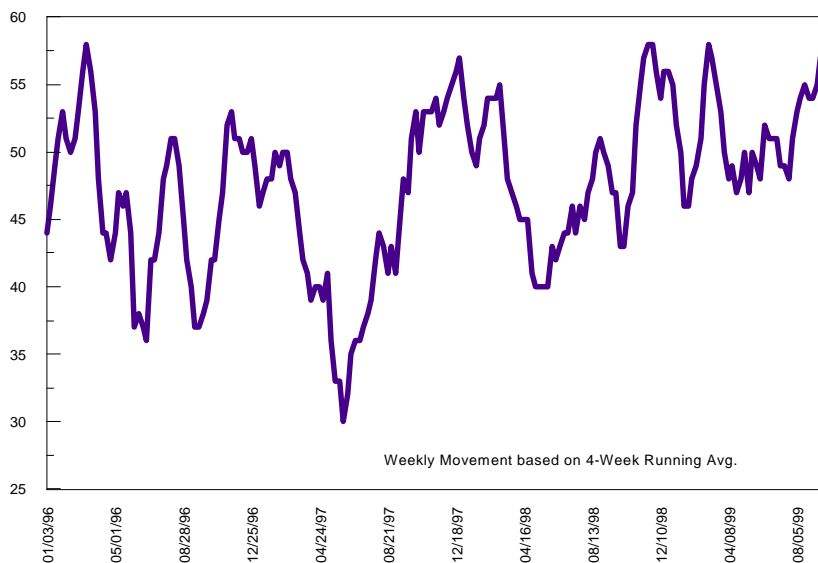
**Select Canadian Ports - Export Inspections**

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 12/9/99			
Vancouver	1,669	420	201
Prince Rupert	836	0	41
Prairie Direct	322	119	77
Thunder Bay	411	159	93
St. Lawrence	1,399	600	0
1999 YTD Exports	4,637	1,298	413
1998 YTD Exports	3,907	1,140	235
% of Last Year	119%	114%	176%

Source: Canadian Grains Commission  
YTD-Year-to-Date Crop Year 8/1-7/31

Vessels



**Gulf Region  
Vessels Loaded  
- Past 7 Days-**

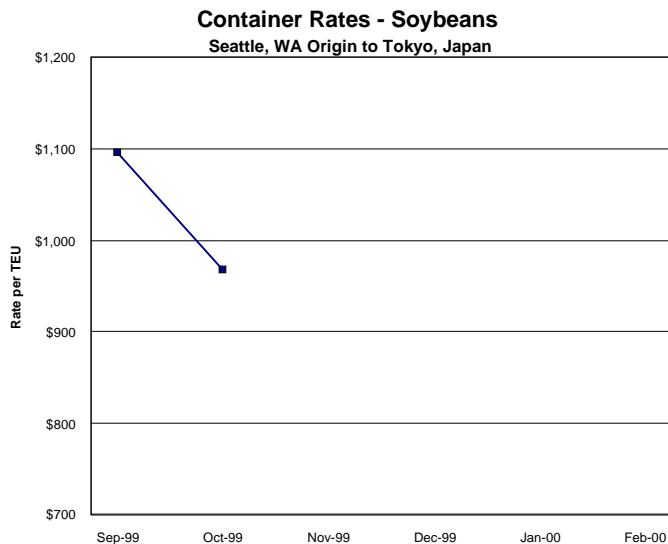
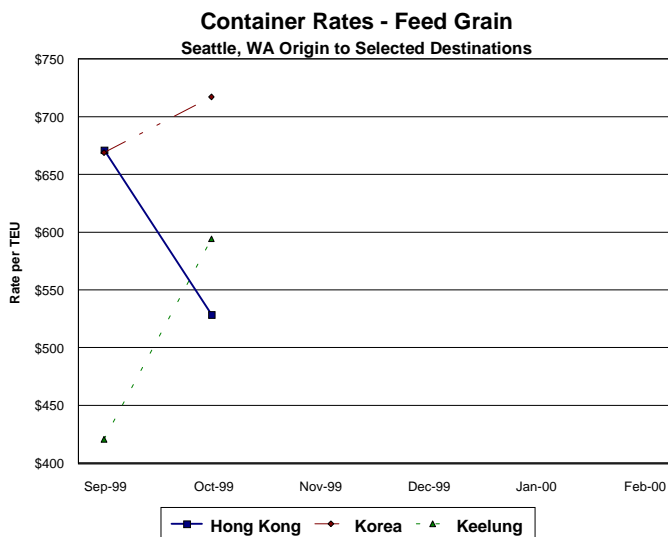
### Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
12/02/99	31	47	55	9			17	9	2
12/09/99	32	53	74	9			9	13	5
1998 Range	(19..62)	(34..64)	(40..93)				(1..16)	(3..14)	(0..10)
1997 Range	(11..52)	(25..61)	(31..89)						
1998 Avg	40	48	61				9	9	3
1997 Avg	33	45	58						
1996 Avg	38	46	62						

Source: Transportation &amp; Marketing /AMS/ USDA

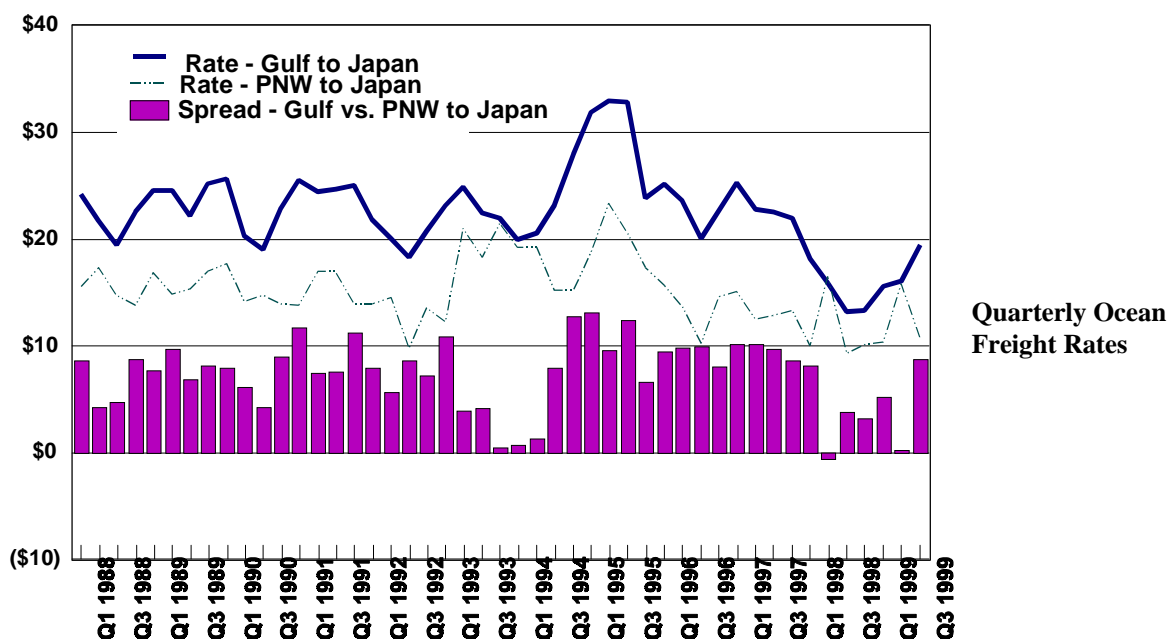
### Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share



Source: Transportation &amp; Marketing/AMS/USDA

US\$/Metric Ton

**Quarterly Ocean Freight Rates**

Average Rates &amp; Percentage Changes, U.S. Dollars/Metric Ton - Basis

	1999 3 <sup>rd</sup> Qtr	1998 3 <sup>rd</sup> Qtr	% Change		1999 3 <sup>rd</sup> Qtr	1998 3 <sup>rd</sup> Qtr	% Change
<b>Gulf to</b>				<b>Pacific NW to</b>			
Japan	\$19.46	\$13.17	48%	Japan	\$10.71	\$9.35	15%
Mexico	\$14.97	\$16.33	-8%	Red Sea/ Arabian Sea			
Venezuela	\$12.64	\$10.30	23%				
N. Europe	\$13.31	\$8.85	50%	<b>Argentina to</b>			
N. Africa	\$18.20	\$13.87	31%	N. Europe	\$13.94	\$12.15	15%
				Japan	\$23.00	\$16.21	42%

Source: Transportation &amp; Marketing/AMS/USDA

**Ocean Freight Rates (Select Locations) - week ending 12/11/99**

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	France/U.K.	Grains	Prompt	40,000	\$16.25
Gulf	Amsterdam	Heavy Grain	December	60,000	\$11.75
Gulf	Rotterdam	Heavy Grain	December	60,000	\$11.50
Gulf	Egypt (Med.)	Wheat	Prompt	55,000	\$13.50
Gulf	Sri Lanka	Wheat	December	50,000	\$21.50
Gulf	Japan	Heavy Grain	Dec./Jan.	42,000-54,000	\$21.00-22.50
Brazil	France	Grains	December	29,000	\$16.25
River Plate	Norway	Wheat	December	25,000	\$21.25
Cardiff (U.K.)	Tunisia	Barley	Prompt	22,000	\$16.25
Rostock (Germany)	China	Rye	December	52,000	\$20.50

Source: Maritime Research Inc.